

Performance Excellence Network

LETTER FROM THE PRESIDENT

A Recipe for Excellence: 50 Ingredients that Drive Organizational Performance

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When it comes to achieving and sustaining organizational excellence, there is no panacea. But there ARE many proven ingredients – processes that, if systematic and well-deployed, have been validated to drive organizational outcomes over time. Here are 50. It's not an exhaustive list. And they're not in order of priority; in fact, their relative importance is likely due to a specific organization's environment, strategic challenges, and priorities. But they do represent validated management practice: without effectiveness in each of them, an organization will sub-optimize its resources and outcomes.

So I invite you to reflect on each of the 50 to gauge where your organization rates. If your organization already has an effective, systematic process to address each ingredient, fantastic – you now just have to sustain, evaluate and improve it. However, if you don't have a process (or if it's not fully effective in generating the outcomes you design to achieve), then you have an opportunity for improvement. And if you have time April 14-15, consider attending PENworks 2014, our annual conference, at which 18 organizations will share their approaches to performance excellence – their best practices in addressing all of the 50 ingredients ([details here](#)).

So where are your organization's strengths? Where are your gaps, your opportunities for improvement? I invite you to self-rate (perhaps using a scale like "always," "usually," "sometimes," "rarely," "never"). Here they are:

1. High performing organizations set aggressive, but achievable goals.
2. High performing organizations' leaders create an environment that sustains customer engagement, innovation, and high performance.
3. High performing organizations communicate effectively throughout the organization – from senior leaders to its workforce, and from its workforce to its customers and partners.
4. High performing organizations use data to make decisions throughout the organization.
5. High performing organizations systematically manage change.
6. High performing organizations value diversity – of all kinds, including diversity of thought.
7. High performing organizations have governance structures that ensure legal and ethical behavior, fulfill societal responsibilities, and support key communities.
8. High performing organizations take intelligent risks.

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9. High performing organizations systematically share best practices inside the enterprise and also study best practices outside the enterprise; they know the value of benchmarking.
10. High performing organizations have succession plans for their senior leaders and all key positions.
11. High performing organizations knows and responds to its strategic challenges.
12. High performing organizations know their blind spots.
13. High performing organizations ensure quality and availability of data and information.
14. High performing organizations know their competitors and their capabilities.
15. High performing organizations measure and manage workforce capability and capacity.
16. High performing organizations create a culture that delivers a consistently positive customer experience and that fosters customer engagement.
17. High performing organizations use social media to listen to what their customers are saying about them.
18. High performing organizations listen to their customers (or stakeholders, patients, students) to gain information on satisfaction, dissatisfaction, and engagement.
19. High performing organizations prepare for disasters – for the loss of people, property, or data.
20. High performing organizations modify action plans if circumstances require a shift in strategy.
21. High performing organizations know, measure, and improve their key processes.
22. High performing organizations manage its workplace environment to ensure workforce health, security, safety, and accessibility.
23. High performing organizations value their employees.
24. High performing organizations never stop learning, improving.
25. High performing organizations understand and build upon its culture.
26. High performing organizations use comparative data to determine their relative performance.
27. High performing organizations are values-based.

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28. High performing organizations manage its supply chain.
29. High performing organizations learn from mistakes.
30. High performing organizations project their and their competitors' performance.
31. High performing organizations reduce waste, control costs, and enhance productivity.
32. High performing organizations have agility – they can respond quickly to changes in their environment.
33. High performing organizations focus on the future.
34. High performing organizations balance the needs of all key stakeholders.
35. High performing organizations know and build on their core competencies.
36. High performing organizations have a culture that embraces improvement. Good isn't good enough.
37. High performing organizations are highly aligned.
38. High performing organizations systematically learn – they measure, evaluate, improve.
39. High performing organizations have a high degree of transparency.
40. High performing organizations know – and live by – their mission.
41. High performing organizations invite, resolve, and learn from customer complaints.
42. High performing organizations measure more than just financials – they measure, set goals, monitor, and take action on customer-related, product/service-related, operations-related, workforce-related, and leadership-related outcomes.
43. High performing organizations measure employee and customer engagement.
44. High performing organizations segment their customers so they can understand different groups' needs; high performing organizations segment their employees so they can understand different groups' needs.
45. High performing organizations align their budgets with their strategic plans (not their plan with their budgets).
46. High performing organizations reward high performing employees.

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47. High performing organizations promote accountability.
48. High performing organizations develop their leaders...and their future leaders.
49. High performing organizations are focused on creating value for their stakeholders.
50. High performing organizations appreciate the internal and external systems in which they operate.

So there they are: 50 proven ingredients for performance excellence in your organization. So where are your organization's strengths? Where are your gaps, your opportunities for improvement? How do you know? What other processes drive excellence? Post your reaction, or offer additional best practices that drive excellence on our [LinkedIn discussion page](#), our [blog page](#), or my [Twitter account](#).

And if you want to hear how 18 organizations – some of them truly world class (winners of the Baldrige National Quality Award) have addressed these 50 drivers of excellence, attend PENworks 2014 on April 14-15 in Brooklyn Center. Information is [located here](#).

Never stop improving!

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